

# PRINTING OF PROCEEDINGS HAD DURING

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that the proceedings had during the recess be printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

## THIRD ANNIVERSARY OF THE INFAMOUS BREAK-IN OF WATERGATE

(Ms. ABZUG asked and was given permission to address the House for 1 minute, and to revise and extend her remarks.)

Ms. ABZUG. Mr. Speaker, this is the week of the third anniversary of the infamous break-in of Watergate by the plumbers. Regrettably, it is also the week—yesterday—when I believe the House may have given a misinterpretation, or at least a wrong impression, to the American public.

This House understands the meaning of "coverup." This House understands the meaning of its own action, in that it set up a select committee to investigate the CIA, and other intelligence agencies, through House Resolution 138.

Mr. Speaker, I know that the Members who voted here yesterday, regardless of how they voted, recognize that the American people look to them to continue that investigation and, therefore, to continue this committee to conduct that kind of activity. I would hope that there is no backtracking from that position.

There are some Members who have been going around the House and suggesting that this committee should be abolished. I think there are many who voted to support the gentleman from Michigan (Mr. NEDZI) on the mistaken notion that he sought only a vote of confidence. I think that those who insisted that the gentleman from Michigan (Mr. NEDZI) not continue with his own efforts to resign were using this as a pretense to attack the committee.

Mr. Speaker, that, I think, is unfair, and I hope the Members will see to it that we carry out our responsibility under the Constitution and our responsibility to the people by continuing this committee.

## VIEWS ON THE PROPOSED NEDZI RESIGNATION

(Mr. MAGUIRE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MAGUIRE. Mr. Speaker, yesterday the central issue relating to the Nedzi resignation was never discussed: How will the interests of the Nation best be served in the ongoing investigation of improper CIA activities?

When the gentleman from Michigan (Mr. NEDZI) lost the confidence of all the other Democratic members of the committee due to disclosures never refuted that he had failed to act on previous knowledge of improper CIA activities,

his resignation ought to have been categorically.

This should not have been presented as a vote on how Members feel about the gentleman from Michigan (Mr. NEDZI) personally or on the distinction of his service in the House. It should have been a vote on whether the House and its special committee will have the confidence of the American people in pursuing the facts regarding CIA activities, wherever those facts may lead.

To see this House yesterday refusing to directly and effectively address that issue astonished and deeply disappointed this new Member.

Mr. Speaker, I came to Congress committed to a principle which I thought most of us in this House shared: that we should affirm and enhance, not compromise and abuse, the important investigative and oversight functions of Congress.

Once again, the people are waiting for Congress to catch up with them. They are waiting for a Congress they can respect, a Congress which will act uncompromisingly in their interests on the critical public issues of the day.

## ADDITIONAL VIEWS ON THE PROPOSED NEDZI RESIGNATION

(Mr. MOFFETT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MOFFETT. Mr. Speaker, I believe that the gentleman from Michigan, LUCIEN NEDZI, is a good man and that all the good things said about him yesterday are very true.

But the American people have not lost sight of the fact that there is definitely a conflict of interests here. Not until this body begins to deal with that issue will the citizens of this country have any confidence in the ability of Congress to investigate the CIA and its alleged abuses.

We all remember when the ratings of this Congress skyrocketed when, during the Watergate probe, the assertiveness and aggressiveness of Congress and its sincere search for the truth were transmitted in living color into the living rooms of homes all over the country.

Mr. Speaker, I suggest that we get back to these central issues and again begin to have an honest and sincere search for the truth on the matter of the CIA: The gentleman from Michigan (Mr. NEDZI) has submitted his resignation from the chairmanship and he should step down.

## ABOLITION OF THE FEDERAL METAL AND NON-METALLIC MINE SAFETY BOARD OF REVIEW

(Mr. HECHLER of West Virginia asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HECHLER of West Virginia. Mr. Speaker, when the continuing resolution is considered later in the day, I hope to offer an amendment to strike out any funding for the Federal Metal and Non-Metallic Mine Safety Board of Review.

This is a Board which began operation July 31, 1971. The Board has heard no appeals and no cases and has done no work. The executive Secretary sits in his office all day listening to Beethoven records and doing nothing. He is paid \$19,693 a year, and his secretary draws \$14,125 per year. In justice to the executive secretary, Jubal Hale, it should be said that he personally feels and has stated that this Board should be abolished.

It appears that it has proven very difficult for Congress to cut off an agency which has once been established and started. One way to cut off the useless Board would be to agree to my amendment to the continuing resolution which would stop further funding for this do-nothing Board.

## PROBLEMS OF SELECT COMMITTEE IN INVESTIGATION OF THE CIA

(Mr. HARKIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HARKIN. Mr. Speaker, I do not know any of the personalities involved in this affair as between the chairman and the select committee. I am certain that they are all honorable people and decent people.

I do not know any of the undercurrents that seem to be flowing underneath the surface of all this. I only voted to accept the resignation offered by the gentleman from Michigan (Mr. NEDZI) yesterday simply because he asked to resign.

This is the only reason that I voted to accept his resignation.

However, I am concerned, and I know from being back in my district over the last weekend that my constituents are concerned that the investigation of the CIA continue, and that Congress exercise its proper oversight functions over the Central Intelligence Agency in the future.

## PROPOSED LEGISLATION TO AMEND THE HOUSING ACT TO BENEFIT THE ELDERLY

(Mr. BEARD of Rhode Island asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BEARD of Rhode Island. Mr. Speaker, I am introducing today legislation that will amend the Housing Act.

A lot of our elderly people have very difficult times when they want to enter public housing, especially high rises for the elderly. Every time they receive a social security increase, many of them are knocked right out of the ball park because they go over the amount of money that is required in order to be able to go into public housing.

Therefore, Mr. Speaker, I am introducing legislation to strike out that provision. We should not penalize the elderly person because he may be getting an increase in social security, and that should not be a factor in whether the elderly get into public housing or not.

Therefore, Mr. Speaker, I think this is good legislation; and if it ever gets to

the floor, I hope the Members will support it as an excellent example.

port on all of the intelligence agencies in the House.

come to light, for those of this body who

(Mr. FUQUA asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

IMr. FUQUA addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

#### DISTORTIONS VIS-A-VIS THE CIA INVESTIGATION

(Mr. McCLORY was asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McCLORY. Mr. Speaker, as the ranking member on the Select Committee on Intelligence, I want to make this additional statement: I think the suggestions that the committee or any members of the committee, including our distinguished chairman, the gentleman from Michigan (Mr. NEDZI), were going to be soft on the CIA or were willing to qualify in some way the investigation is simply a distortion, and is an affront to every member of the committee.

My own view has always been that we should conduct a thorough and complete investigation of not only the CIA, but of all of the intelligence agencies. The gentleman from Michigan (Mr. NEDZI) concurred in that. We met, and we decided on a bipartisan staff of the committee to operate objectively, just as objectively as the House Committee on the Judiciary operated last year, a committee upon which I serve and upon which I served last year, and to which reference has been made here today.

These aspersions and these innuendoes implying that any of the committee members would be inclined to pull their punches insofar as the investigation of the CIA or any other intelligence agency is concerned, are just rank distortions, untrue charges, and those uninformed individuals who have uttered them ought to withdraw such statements because there is no valid basis for them whatsoever.

With only 64 votes in favor of accepting Nedzi's resignation, there is a clear vote of confidence in Mr. Nedzi's integrity and in his ability to conduct a responsible investigation of the intelligence community—including illegal actions which need to be aired—and corrected.

The CIA's essential functions are important to the Nation's security. But, CIA excesses and the infringement of the rights of individual Americans as well as covert overseas activities including alleged assassinations, should be uncovered and any and all CIA and other wrongdoings must be exposed and corrected. This is, and has been Mr. Nedzi's and my objectives.

It is to be hoped that the Select Committee, with the same or modified membership, will be able to move forward expeditiously and deliberately in fulfilling its mandate as required by the House resolution which established this critical 10-member committee to review and re-

#### SELECT COMMITTEE ON INTELLIGENCE SHOULD CONTINUE INVESTIGATION OF CIA

(Mr. MILLER of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MILLER of California. Mr. Speaker, I take the well in support of my colleagues who came to the well before me to ask for a continuation of the investigation by the Select Committee of the CIA.

This House has been rampant with rumors that there would be a movement to abolish that committee.

I do not believe that any of the former members have cast aspersions on the ability of this committee to carry out its work.

The concern is that we have seen now for a number of months in the newspapers, allegations and innuendos against leaders or former leaders of this country as to their involvement in covert plans in dealing with assassination, with murder, spying on American citizens, the opening of mail, and eavesdropping.

Mr. Speaker, I do not think we can leave matters like that to the press. I think this House has to carry out its function to fully investigate and to complete its investigation of the CIA, which will show the American people that the House is carrying out its functions.

That is the issue here. It is not the makeup of the committee. It is not the chairman. It is that the House must work its will. It has to decide that this is the No. 1 thing it must do.

Mr. Speaker, I am very much concerned when we say to the American people that we think those allegations do not deserve investigation. I think that I am serving in a House that is interested in the truth and in the pursuit of the truth, wherever that may lead us. I think that is a Member's obligation, and we must continue to pursue that obligation in this House.

#### THE VOTE ON THE PROPOSED NEDZI RESIGNATION

(Mr. RONCALIO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RONCALIO. Mr. Speaker, I think it is appropriate that some Member of this body in the middle bracket, the young men; that is, those approaching 60, who came into the 89th Congress or thereabouts have a say regarding the LUCIEN NEDZI cause célèbre.

Mr. Speaker, I think many of us who voted to refuse the resignation of the gentleman from Michigan, LUCIEN NEDZI, did so as a matter of deep personal privilege, with regard to the gentleman's integrity and the devotion which he gives to his work.

Mr. Speaker, to me this is not inconsistent with voting to abolish the CIA if the facts warrant that abolition. And a good measure of facts have already

If in fact the CIA has so compromised its position and can no longer do the job which is necessary and vital to our society, then let somebody else do it. Or let us get on with our work of correction in this sad Agency which no longer seems to be able to perform the purposes for which it was lawfully enacted. Instead, it has succumbed to illegal and unlawful domestic spying, it has exported assassination, all against the law.

#### TWENTIETH ANNIVERSARY OF PUBLICATION OF ROLL CALL

(Mr. MICHEL asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, I wish at this time to bring to the attention of my colleagues that I have requested a special order at the end of our business day tomorrow in order that Members may have the opportunity to comment on the occasion of the 20th anniversary of the publication of the newspaper Roll Call.

Roll Call, as all of us are aware, is the newspaper of Capitol Hill, and has, throughout its distinguished 20-year history been very much a part of the lives of those of us who work here at the Capitol.

It is important and appropriate, therefore, that we pause to pay our respects to Mr. Sid Yudin, the editor and publisher and his staff for their outstanding contributions to journalism throughout that period; I am sure that many Members will want to participate in that activity, which will, as I said, take place at the close of business tomorrow.

#### THE SPECIAL COMMITTEE ON INTELLIGENCE

(Mr. LAFALCE asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. LAFALCE. Mr. Speaker, on February 19 of this year, I voted against the resolution to establish a new Select Committee on Intelligence in the House of Representatives. In a matter of this seriousness, being directly on the national security, I thought that the Senate and House should act in concert and that a joint committee should be formed to consider the accountability of the CIA and the other intelligence agencies.

A joint committee, I felt, would be better able to insure that an investigation of this sort would not dismantle that amount of secrecy necessary to preserve the CIA as an effective intelligence arm of our Government. At the same time it could still make public those violations it considered detrimental to the national welfare and our international posture.

However, a House select committee was formed, and a chairman selected. I questioned the effectiveness and propriety of selecting as chairman the same man who chaired the Armed Services Committee's Intelligence Subcommittee, previously charged with oversight of the CIA.

The purpose of forming the select com-

cludes requiring the use of the accrual method of accounting.

**1. Partnership syndication fees.**—This category is included to clarify the rules requiring capitalization of partnership syndication fees.

**B. Tax simplification and reform of domestic income of individuals.**

1. Deduction of expenses attributable to business use of homes and rental of vacation homes.

2. Deduction for conventions, conferences, etc., outside the United States.

3. Retirement income credit.

4. Sick pay exclusion.

5. Child care deduction.

6. Deduction of alimony payments.

7. Deduction for guarantees of business paid debts to guarantors not involved in business.

8. Deduction for property transfer taxes and disability taxes.

9. Simplification of itemized deductions generally including (but not limited to) a simplification deduction in lieu of the dividends received exclusion, the deduction for State and local taxes on gasoline and other motor fuels, deduction of casualty losses below a floor (e.g., 3 percent), medical expense deduction below a floor (e.g., 5 percent instead of the present 3-percent floor on medical expenses generally and 1-percent floor on drugs), and deduction for certain employee business expenses and expenses of activity engaged in for profit below a floor (e.g., \$200).

10. Extension of tax tables to enable individuals to use the short 1040-A tax form for adjusted gross incomes up to \$20,000.

11. Accumulation trusts.

12. Limitation of the interest deduction for nonbusiness interest to a specified amount where it is claimed as an itemized deduction.

13. Simplification of moving expense deductions and application to the military.

14. Tax treatment of scholarships and fellowships (including cancellation of indebtedness with respect to certain student loan programs).

15. Clarification of the tax treatment of certain disaster loan provisions.

16. Qualified stock options.

17. Alternative capital gains tax rate for individuals.

18. Holding period for short-term capital gains.

19. Group term insurance.

**C. Foreign Income**

1. Per-country limitation in computing foreign tax credit.

2. Grossing up dividends from less developed country corporations for purposes of determining U.S. income and foreign tax credit.

3. Application of the foreign tax credit in the case of capital gains income.

4. Treatment of foreign income subsequently earned where foreign losses are offset against U.S.-source income.

5. Deferral of income of controlled foreign subsidiaries.

6. Exclusion for income earned abroad by U.S. citizens living or residing abroad.

7. Tax treatment of foreign trusts.

8. Excise tax on transfers to a foreign business.

9. Treatment of earnings of less developed country corporations where there is a disposition of stock representing these earnings.

10. Western Hemisphere trade corporations.

11. Tax treatment of U.S. possession corporations.

12. Tax deferral under DISC provisions (including export trade corporations).

13. China Trade Act Corporations.

14. Application of the 30-percent withholding tax to dividend and interest income received from the U.S. by foreign persons.

15. Dividend treatment of U.S. shareholders for foreign corporations.

16. Advance IRS rulings for tax-free exchanges involving foreign corporations related to U.S. taxpayers.

17. Tax treatment of married couples where one spouse is a nonresident alien.

18. Minimum tax on foreign source income.

**D. Administrative Provisions**

1. Income tax return preparers.

2. Assessments in case of mathematical or clerical errors.

3. Application of withholding tax provisions, such as for interest and dividends, certain gambling winnings, earnings of agricultural employees, and State income taxes for certain government employees and military reservists.

4. Disclosure of tax returns and return information.

5. Private letter rulings.

6. Jeopardy and termination assessments.

7. Declaratory judgments in the case of tax-exempt organizations.

8. Tax exempt status of condominiums and homeowner associations.

9. John Doe summons.

**E. Deadwood Bill.**—Repeal and revision of obsolete, rarely used, etc. provisions.

**F. Extension of Individual and Corporate Tax Reductions Provided in Tax Reduction Act of 1975.**

**G. Capital formation (including fast depreciation, investment credit, and integration of corporate and individual taxes).**

**H. Capital gains and losses.**

**I. Limited technical matters.**

**LIST B—ITEMS TO BE INCLUDED IN SUBSEQUENT TAX REFORM PACKAGE**  
(Not in this hearing)

1. Estate and gift taxation.

2. Tax treatment of single persons and married couples.

3. Tax exempt State and municipal bonds.

4. Small business tax problems including subchapter S.

5. Percentage depletion for minerals generally.

6. Tax treatment of financial institutions.

7. Tax treatment of cooperatives.

8. Tax treatment of insurance companies including casualty and life companies.

9. Tax exempt organizations including private foundations.

10. Charitable contribution deductions.

11. Net operating loss deductions.

12. Bank holding companies; real estate investment trusts.

13. Excise taxes.

14. Integration of pensions and social security.

15. Tax treatment of annuities.

#### BROADCAST LICENSE RENEWAL ACT

(Mr. FREY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FREY. Mr. Speaker, together with 56 cosponsors I am today reintroducing H.R. 5578—the Broadcast License Renewal Act—which I first introduced on March 26, 1975.

As I have noted before, inconsistent actions of the courts and the FCC over the past few years have confused the standards by which broadcasters are judged at renewal time. The public still needs a license renewal process which provides the stability broadcasters need to plan and invest in quality programming, the incentives to excel, and the

freedom from the unneeded bureaucratic paperwork burdens now imposed by the Government on licensees.

My license renewal bill can help us attain such objectives. Briefly, this legislation lifts the Government paperwork burden from especially the small broadcaster, authorizes the FCC to institute "short form" renewal procedures for appropriate licensees, and clarifies the criterion used to judge the broadcaster at renewal time. In addition, my bill gives the FCC authority to extend the license term from 1 to 5 years, if the Commission determines it is in the public interest to do so. The Commission also retains the authority to set different license term lengths—up to 5 years—and varying ascertainment procedures for radio and television and for different types of broadcasters. Finally, this legislation allows appeals from FCC decisions or orders to be brought in the U.S. Court of Appeals in the circuit where the broadcast station is located instead of only in the District of Columbia U.S. Court of Appeals.

Without question, the FCC needs to establish policy which offers an incumbent licensee who does a good programming job a reasonable expectation of renewal. This bill does just that, without abridging citizens' opportunities to challenge a broadcaster who performs poorly.

Such legislation can significantly improve our broadcast license renewal process and can stimulate the vitally needed debate on this issue. Again, I urge you all to give this bill and the problem it addresses your most careful attention.

#### JOINT COMMITTEE ON INTELLIGENCE OPERATIONS ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. BIESTER) is recognized for 5 minutes.

Mr. BIESTER. Mr. Speaker, with Mr. ANDERSON of Illinois, I am today reintroducing legislation to create a Joint Committee on Intelligence Operations. We are delighted to add as cosponsors of this legislation several distinguished members of both political parties.

This legislation creates a Joint Committee to conduct continuing oversight of, and to exercise exclusive legislative jurisdiction over, the foreign intelligence activities and operations of the Central Intelligence Agency, the Defense Intelligence Agency of the Department of Defense, the National Security Agency, the Bureau of Intelligence and Research of the Department of State, Army, Navy, and Air Force Intelligence, and other agencies, bureaus, or departments insofar as their operations include foreign intelligence activities.

The Joint Committee would be comprised of Members of the most directly relevant Committees: Armed Services, Appropriations, and Foreign Relations/International Relations. It would have the power to require such periodic reports as it desired from any department or agency regarding activities within its jurisdiction. All matters relating primar-

2. Tax treatment of single persons and married couples.
3. Tax exempt State and municipal bonds.
4. Small business tax problems including Subchapter S.
5. Percentage depletion for minerals generally.
6. Tax treatment of financial institutions.
7. Tax treatment of cooperatives.
8. Tax treatment of insurance companies including casualty and life companies.
9. Tax exempt organizations including private foundations.
10. Charitable contribution deductions.
11. Net operating loss deductions.
12. Bank holding companies; real estate investment trusts.
13. Excise taxes.
14. Integration of pensions and social security.
15. Tax treatment of annuities.

The second phase of tax reform hearings, to be conducted in November, will include, but not be limited to, the subjects of estate and gift taxation and the tax treatment of single persons and married couples.

#### GENERAL PROCEDURES

Witnesses for the first phase of the hearings to begin at this time will be grouped according to subject matter. Those who will be testifying on several major subjects will be listed in the category of "general witnesses" and will be heard at the beginning of this phase of the hearing. In the cases where a witness wishes to concentrate his testimony on one major subject, but comment in a lesser way on other subjects, he will be scheduled under the major subject and can submit his statement for the record on the minor areas.

Time will be strictly limited and in general will not exceed five (5) minutes per witness except in very limited cases involving broad national organizations. Public witnesses will be arranged in panels. Witnesses must testify when scheduled or else file a written statement. Shifts in dates to be heard will not be made. Time allocations must be strictly followed. Testimony by individuals and groups representing the same position must be consolidated. All written statements must be submitted to the Committee office at least 24 hours before the appearance of the witness.

#### DETAILS FOR SUBMISSION OF REQUESTS TO BE HEARD

**Cutoff Date for Requests to be Heard.**—Requests to be heard must be submitted by no later than the close of business Thursday, June 26, 1975. As previously indicated, individuals and organizations desiring to testify on most or all of the subjects listed herein will be heard at the beginning of this phase of the hearings, i.e., "general testimony" will be the first category to be heard.

All requests should be submitted to John M. Martin, Jr., Chief Counsel, Committee on Ways and Means, Room 1102, Longworth House Office Building, Washington, D.C. 20515 (telephone: (202) 225-3625.) Notification will be made as promptly as possible after the cutoff date as to when witnesses have been scheduled to appear. At that time necessary guidelines for preparing for the appearance will accompany such notification. Once the witness has been advised of his date of appearance it is not possible for this date to be changed. If a witness finds that he cannot appear on that day, he may wish to either substitute another spokesman in his place or file a written statement for the record of the hearing in lieu of a personal appearance.

**Coordination of Testimony.**—In view of the heavy schedule of the Committee ahead and the limited time available to the Committee to conduct this hearing, it is requested and it is most important that all persons and or-

ganizations with the same general interest appear at the same time of the Committee and the other witnesses, prevent repetition, and assure that all aspects of the subjects being discussed at this hearing can be given appropriate attention. It is contemplated that the Committee will arrange witnesses in panels.

**Written Statements in Lieu of Personal Appearance.**—The Committee will be pleased to receive from any interested organization or person a written statement for consideration for inclusion in the printed record of the hearing in lieu of a personal appearance. These statements will be given the same full consideration as though the statement had been presented in person. In such cases a minimum of three copies of the statement should be submitted by a date to be specified later.

**Allocation of Time to Witnesses.**—Because of the Committee's exceedingly heavy legislative schedule, this will limit the total time available to the Committee in which to conduct these proceedings. Thus, to assure fairness to all witnesses and all points of view, it will be necessary to allocate time to witnesses for the presentation of their direct oral testimony. Most witnesses will be limited to five (5) minutes for their verbal presentation. Exceptions to the rule will be severely limited and in any case only where broad national organizations are involved. Also, as indicated above, it will be necessary to ask certain witnesses to form panels in order to further consolidate testimony. If the witness wishes to present a long and detailed statement, it will be necessary for him to confine his oral presentation to a summary of his views while submitting a detailed written statement for the Committee's consideration and for inclusion in the record of the hearing.

**Contents of Requests to be Heard.**—The request to be heard must contain the following information, otherwise delay may result in the proper processing of a request:

- (1) the name, address and capacity in which the witness will appear;
- (2) a list of persons or organizations the witness represents and in the case of associations and organizations their total membership and where possible a membership list;
- (3) an indication of whether or not the witness is supporting or opposing any specific proposal or proposals (within the scope of this phase of the hearing) on which he desires to testify;
- (4) if a witness wishes to make a statement on his own behalf, he must still nevertheless indicate whether he has any specific clients who have an interest in the subject, or in the alternative, he must indicate that he does not represent any clients having an interest in the subject he will be discussing; and
- (5) a topical outline or summary of the comments and recommendations which the witness proposes to make.

**Submission of Prepared Written Statements.**—With respect to oral testimony, the rules of the Committee require that prepared statements be submitted to the Committee office at least 24 hours in advance of the scheduled appearance of the witness. Seventy-five (75) copies of the written statements would be required in this instance; and additional seventy-five (75) copies may be submitted for distribution to the press and the interested public on the witness' date of appearance.

As indicated above, any interested person or organization may submit a written statement in lieu of a personal appearance for consideration for inclusion in the printed record of the hearing. Such statements should be submitted by a date to be specified

later, in triplicate. An additional seventy-five (75) copies of the written statements for the printed record will be accepted for distribution to the Committee members, the press, and the interested public if submitted before the final day of the public hearing.

**Format of ALL Written Statements.**—It will be necessary that all prepared statements contain a summary of testimony and recommendations and that throughout the statement itself pertinent subject headings be used.

**Resubmission of Requests to be Heard Where Requests Already Made.**—If a prospective witness has already submitted a request to be heard on any of the subjects covered by this hearing, the request should be resubmitted at this time furnishing the above information and otherwise conforming to the rules set forth for conducting this hearing.

#### LIST A—TOPICS FOR TAX REFORM PACKAGE IN FIRST PHASE

##### A. Tax Shelters and Minimum Tax.

1. **Minimum tax.**—This category includes the consideration of the exemption level, the rate of tax, the allowance of a deduction for the regular individual or corporate income tax, and the possibility of adding other preference items to the base of the tax or alternatively the consideration of a different version of a minimum tax.

2. **Allocation of itemized deductions between taxable and nontaxable income.**

##### 3. Tax shelters generally.—

a. **Real estate.**—This category includes depreciation methods and life (including any distinction for this purpose between borrowings and equity), recapture rules for excess depreciation, treatment of interest and taxes during the construction period, limiting certain real estate deductions to related income, etc.

b. **Farm operations.**—This category includes the treatment of development costs in the case of fruits and other food products with long development periods, the deduction of farm losses, the so-called hobby loss operations, limiting farm deductions to related income (perhaps only to the extent nonfarm income exceeds some level (such as \$20,000)), limiting deductions on livestock to the amount of risk, requiring the accrual method of accounting for corporations engaged in farming, etc.

c. **Natural resources.**—This category includes limiting the deductions for intangible drilling expenses and development costs on a property to the amount the taxpayer has at risk, limiting deductions from intangible drilling expenses (except in the case of dry holes) to the related income, recapturing intangible drilling costs deducted as ordinary income where the property is subsequently sold at a gain, etc.

d. **Motion picture films and similar property.**—This category includes limiting deductions for depreciation in motion picture films, etc., to the amount of income derived from the investments, and limiting loss deductions to the amount at risk, etc.

e. **Personal property (equipment) leasing.**—This category includes limiting deductions of depreciation on personal property subject to a net lease to the income from the property, etc.

f. **Sports teams (player contracts).**—This category includes specifying the portion of an aggregate amount paid to purchase a team or group of assets which is allocable to player contracts and applying recapture rules in the case of player contracts.

g. **Tax treatments of limited partnerships.**—This includes considerations involving the basis for non-recourse loans, requiring certain kinds of limited partnerships (and joint ventures) to be taxed as corporations, etc.

h. **Prepaid interest.**—This category in-



ily to the functions of the above-named intelligence organization. Approved For Release 2005/04/27 : CIA-RDP77M00144R001200030005-4

ferred to the Joint Committee. We believe that such a Joint Committee would be a workable way of maintaining effective oversight and control over this crucial aspect of Government activity.

We are pleased that the "Report of the Commission on CIA Activities Within the United States" concluded that—

The President should recommend to Congress the establishment of a Joint Committee on Intelligence to assume the oversight role currently played by the Armed Services Committees.

While investigations of the activities of the Central Intelligence Agency should and will continue, those investigations do not detract from the need for a new permanent oversight mechanism to oversee all foreign intelligence activities of the intelligence community. At present intelligence oversight is fragmented and, for practical purposes, nonexistent. By bringing together in one committee Members from both houses—specifically including those who serve on International Relations and Foreign Relations, Armed Services, and Appropriations—we will be better able to follow on a continuing basis what is being done by our foreign intelligence apparatus. The committee would be assured of additional balance by the provision for appointment by the majority and minority leaders of additional members from the general membership of the House and Senate. Through a Joint Committee on Intelligence Operations the Congress could keep a tight rein on the activities not only of the Central Intelligence Agency, but of all other organizations engaged in foreign intelligence. I believe it is essential that this Congress address itself to this very critical issue.

#### REVISED COST ESTIMATES FOR SPECIAL UNEMPLOYMENT ASSISTANCE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. STRIGER) is recognized for 5 minutes.

Mr. STRIGER of Wisconsin. Mr. Speaker, the enactment of legislation by the Congress to provide special unemployment assistance to workers not covered by the regular UI program was a bold step to meet the present emergency crisis. The administration was requested and provided cost estimates for the program. In the absence of any historical data on which to base projections, the Labor Department used conventional estimating techniques. These projections indicated that 3.9 million beneficiaries would file for and receive benefits at a cost of \$3.2 billion for calendar year 1975.

The intake of claimants in local employment offices did not materialize as expected during the initial weeks of the program. In April, when the administration submitted its proposals to the Congress, which I introduced, for extending this program through calendar year 1976, the Labor Department did not feel

that sufficient experience had been obtained. The projected costs, therefore, for the extension of the program were made under the same assumptions. The projected costs of the special unemployment assistance program for the full 2-year period was therefore established at \$4.3 billion.

Subsequent to the introduction of this legislation and its enactment by the Congress, the Department was provided with the official revised economic assumptions by the Office of Management and Budget. In reassessing all of the Department's previous estimates, based on the new economic assumptions, it requested and received approval to revise its projections for the special Unemployment Assistance program. These revisions were substantial and, based upon the current claim in-take levels, the Administration now estimates the benefit cost to be \$1.4 billion for the House-passed SUA program. Director Lynn of the Office of Management and Budget presented these figures to the Congress as a part of the administration's mid-session review of the 1976 budget.

I requested from the Department an explanation of the changes and I am taking this opportunity to bring these revised projections to the attention of the members of the House since they represent significant reductions.

There is a deep concern, both in the Administration and the Congress, that all workers who are entitled to benefits under this program be made aware of its availability. Extensive efforts have been made by the State Employment Security Agencies through the news media and contacts with many interested groups to insure that knowledge of the program is widespread. While I am heartened by the fact that projected unemployment is lower than expected, I remain concerned that continued efforts be made to insure adequate dissemination of information to potential beneficiaries. I am inserting for the record the history of the workloads under this program through the latest week available, which supports the Department's revised projection of beneficiaries and cost.

#### SPECIAL UNEMPLOYMENT ASSISTANCE PROGRAM CLAIMS

Week ending (1975)—	Initial claims	Continued weeks claimed <sup>1</sup>	Cumulative initial claims
Jan. 18.....	5,013	11,724	5,013
Jan. 25.....	18,744	21,764	23,757
Feb. 1.....	36,567	85,777	60,324
Feb. 8.....	30,950	107,381	91,274
Feb. 15.....	28,811	121,045	120,085
Feb. 22.....	30,376	136,924	150,461
Mar. 1.....	33,610	182,246	184,071
Mar. 8.....	32,221	179,334	216,292
Mar. 15.....	30,949	191,512	247,241
Mar. 22.....	28,599	193,978	275,840
Mar. 29.....	44,196	198,720	320,036
Apr. 5.....	41,057	202,647	361,093
Apr. 12.....	28,086	207,527	389,179
Apr. 19.....	26,433	200,555	415,612
Apr. 26.....	33,932	183,472	449,544
May 3.....	19,310	181,505	468,854
May 10.....	18,302	180,670	487,156
May 17.....	19,823	175,130	506,979
May 24.....	27,233	168,251	534,212
May 31.....	46,551	153,471	580,763
June 7.....	94,686	184,278	675,449

<sup>1</sup> Represents insured unemployment 1 week earlier.

#### THE FUTURE OF COURT-ORDERED SCHOOLS IS UNCERTAIN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. MARTIN) is recognized for 15 minutes.

Mr. MARTIN. Mr. Speaker, the future of court-ordered business is uncertain, to say the least.

We have had occasion to reflect on the shifting sands of sociological scholarship regarding the impact of court-ordered school assignments based on racial ratios. Hopefully, the recent publication of "second thoughts" in academia will lead to less zeal and more caution on the part of reform-minded jurists all across the country.

The problem, however, is broader than the single controversial issue of forced busing. The chairman of the Charlotte-Mecklenburg Board of Education, Mr. William E. Poe, has had longer direct experience with that burden than any other elected official in the United States. Yet he sees the basic problem as even more deepseated.

In a recent address before the National School Boards Association, he described the growing tendency of the Federal courts to supplant the day-to-day authority of school officials. The case list ranges from pupil assignments to disciplinary action for the unruly, to personnel policy, to curriculum, ad carbo-rundum.

Poe, a highly respected attorney in Charlotte, has analyzed incisively how this tendency has grown, as life-tenured judges seek to advance the next step to utter immortality. The impulse to rewrite the Constitution, without regard to the slow procedure for amendments given in its article V, has too often proved irresistible. Eager, young lawyers can always find mistakes and contradictions in the actions of school boards—or anyone else—and have found that they can bypass the traditional political process by taking their case instead to a shrewdly selected judge whose views are known to be sympathetic.

The pattern may be a familiar one to each of our colleagues. In any case, Bill Poe has some important observations about where this ubiquitous judicial review is taking us.

Read it and wonder.

#### THE COURTS AS EDUCATIONAL POLICY MAKERS

##### INTRODUCTION

If these remarks had been presented just a few short years ago, it is doubtful would have been in order to devote a substantial amount of time to a recitation of a large number of court decisions to validate the proposition that the judiciary—both state and federal, but largely federal—have assumed in drastically increasing proportions the roles of educational policy makers. To the uninitiated citizen who happens not to have a child in the public schools, the aggressive manner displayed by many judges in finding and decreeing constitutional principles to be at stake in matters once thought to be within the sole province of school administrators and school boards may have gone unnoticed or perhaps unheeded. But no school board member worthy of the name could fail to recognize the last decade as one in which

☐ UNCLASSIFIED☐ INTERNAL☐ CONFIDENTIAL☐ SECRET

Approved For Release 2005/04/27 : CIA-RDP77M00144R001200030005-4

## ROUTING AND RECORD SHEET

SUBJECT: (Optional)

FROM:

Legislative Counsel  
7D49

EXTENSION

NO.

DATE

18 June 1975

STAT

TO: (Officer designation, room number, and building)

DATE

RECEIVED

FORWARDED

OFFICER'S  
INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

1.

Director

2.

3.

4.

5.

6.

7.

8.

9.

10.

11.

12.

13.

14.

15.

Attached for your information are several statements from Tuesday's Congressional Record regarding the vote on the Nedzi resignation. There is also a statement by Congressman Biester reintroducing his proposal for a joint oversight committee.

George L. Cary  
Legislative Counsel

Approved For Release 2005/04/27 : CIA-RDP77M00144R001200030005-4

Journal - Office of Legislative Counsel  
Tuesday - 17 June 1975

Page 2

25X1 [REDACTED] **SECRET**

25X1 4. [REDACTED] Received a call from Eileen Roach, NSC staff, who inquired about the expiration date of the House Select Committee as established in H. Res. 138, and I explained the history of the date in the resolution and the Republican attempts to change it. She was quite appreciative.

25X1 5. [REDACTED] Representative Jack F. Kemp (R., N. Y.) visited the Agency for breakfast with the Director. Also present were Messrs. Duckett, Nelson, Warner, [REDACTED] Clarke, and myself. Mr. Kemp is a dynamic and very interesting individual. He is favorably disposed toward the Agency, and a free and open exchange took place. He is truly concerned about the attacks on the Agency and indicates that he is not afraid to stand up and be counted on issues and topics that he thinks are right. He is particularly concerned about the present clamor in some quarters for an open budget for intelligence agencies. He is interested in whatever background material we can provide him to make him better informed on the Agency and its activities. He was given a copy of the Director's prepared statement for delivery before the House Select Committee on Intelligence in a session which was cancelled because of Chairman Lucien N. Nedzi's (D., Mich.) resignation. Following our breakfast session, Mr. Duckett and I took the Congressman on a tour of the OEL Center.

25X1 6. [REDACTED] I talked several times during the day with Sam Goldberg, State Department, concerning wording of State's reply to Questions 6 and 7 of H. Res. 536. This is a resolution introduced by Representative Michael Harrington (D., Mass.) on the Mayaguez incident. 25X1

[REDACTED]

25X1 7. [REDACTED] At his request [REDACTED] and I met with Tom Smeeton of the House International Relations Committee Minority Staff, who on an informal and nonattributable basis provided us with a copy of a draft proposal for a joint committee on intelligence, which Representative William Broomfield (R., Mich.) plans to submit soon. Smeeton asked for our comments and criticisms (see Memorandum for the Record by [REDACTED]). 25X1

25X1 [REDACTED] **SECRET**

25X1

Approved For Release 2005/04/27 : CIA-RDP77M00144R001200030005-4

Approved For Release 2005/04/27 : CIA-RDP77M00144R001200030005-4